

# profile

## Legal Affairs

A special series devoted to Organization Re-design

February 27, 1998

## Legal Affairs structure enhances efficiency by aligning lawyers by areas of practice

The Organization Re-design work of Legal Affairs resulted in specialized teams, enabling the area to be more flexible and efficient in addressing the needs of the company.

During Organization Re-design, Legal Affairs identified 19 different functional areas of practice, such as litigation, supplier and consulting contracts,

*We're also better able to develop specialized teams in which multiple areas work together to address problems.*

and mergers and acquisitions. One lawyer is designated as the primary contact for each area.

This new structure supports the company's philosophy of a flatter organization, says Bruce N. Bagni, senior vice president and general counsel.

Previously, lawyers in each practice group reported to the head of the group, who in turn, reported to Bagni. Now, all the lawyers report directly to him.

"This new structure enables us to be more flexible and efficient," says Bagni. "We're also better able to develop specialized teams in which multiple areas work together to address problems."

Re-design activities, which are complete, focused primarily on one of Legal area's four divisions—Legal Affairs. The Legal Affairs Division provides legal advice and services to all areas of the company to protect the company from legal risk.

Prior to re-design, Legal Affairs lawyers worked in one of three practice groups:

- **Managed Care**, e.g., provider contracts;
- **Regulatory**, e.g., product/rate filings with Florida Department of Insurance; and
- **Corporate**, which includes employment law, federal contracting (Medicare), supplier contracts, litigation, etc.

"As the company's business became more complex, we saw more overlap between practice groups," says Vice President for Corporate Compliance Mary Wood Bridgman, who was responsible for coordinating organizational re-design for the entire legal group. "The lines between these groups became more difficult to distinguish, and the practice-group designations became less useful to our clients."

"By assigning one lawyer to each area, we're taking the guesswork out of contacting a lawyer," says Bagni. "Our clients—the geographic business units and the other business areas—now know who to call."

### BENEFITS OF GROUPING LEGAL FUNCTIONS



Enhanced focus and efficiency within key areas of law.



Improved continuity of legal issues.



Ease in identifying the contact for specific legal services.



Improved method of directing work to the individual lawyer accountable for a specific function.

# Legal liaisons now in place

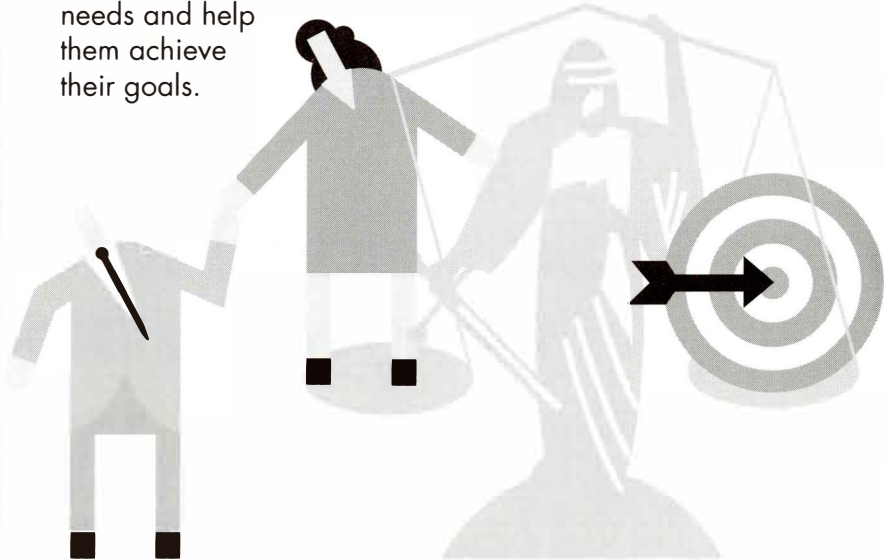
**A**n important change in the Legal Affairs Division under Organization Re-design involves the assignment of a primary legal liaison to each Blue Cross and Blue Shield of Florida officer. The liaisons are accountable for building relationships with the officers and their staffs to better understand their needs and help them achieve their goals.

“The assignment of liaisons means we should be able to handle the company’s legal issues more proactively,” says Bruce N. Bagni, senior vice president and general counsel. “In many situations, the liaisons will be able to identify and address issues early before they become more significant problems.”

The legal liaisons work with the GBUs and business areas to identify the types of legal assistance they routinely require and what special needs they may have. For example, the liaisons

## LEGAL LIAISONS

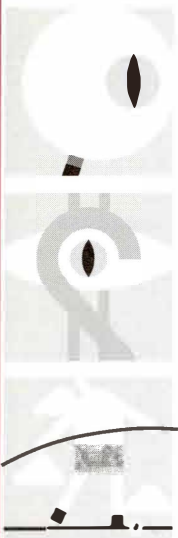
Legal liaisons are accountable for building relationships with the officers and their staffs to better understand their needs and help them achieve their goals.



may communicate with the business area on a regular basis, attend staff meetings on occasion, and become involved in the business area’s planning.

## OTHER LEGAL AREA FUNCTIONS

The three divisions within Legal Affairs that remain unchanged handle the following functions:



The **Special Investigation Unit** handles detection, investigation and prevention of insurance fraud and also seeks to recover dollars overpaid by the company due to fraud and abuse.

**Internal Audit** performs audits, provides consulting services to the company’s business operations, and interacts with government and private auditors who review the company’s financial and business operations.

**Risk Management** handles such areas as business recovery, occupational hazards, health care risk management and workers’ compensation (for BCBSF employees).

## New structure suits other legal divisions

**T**he Legal area comprises four divisions—Legal Affairs, Special Investigation, Risk Management and Internal Audit. While the Legal Affairs Division made a number of significant changes under Organization Re-design, the other areas did not. They emerged from Organization Re-design unchanged because their structures work well under the company’s new geographic business unit structure.

# Re-design enhances customer focus

The changes in the Legal Affairs Division (LAD)—the identification of areas of practice and the assignment of liaisons to each officer—increase the division’s accountability to its clients. These re-design activities establish relationships between the business areas and the lawyers to ensure that the company has comprehensive legal coverage. The changes also ensure that lawyers are proactively engaged in the critical issues facing the business units.

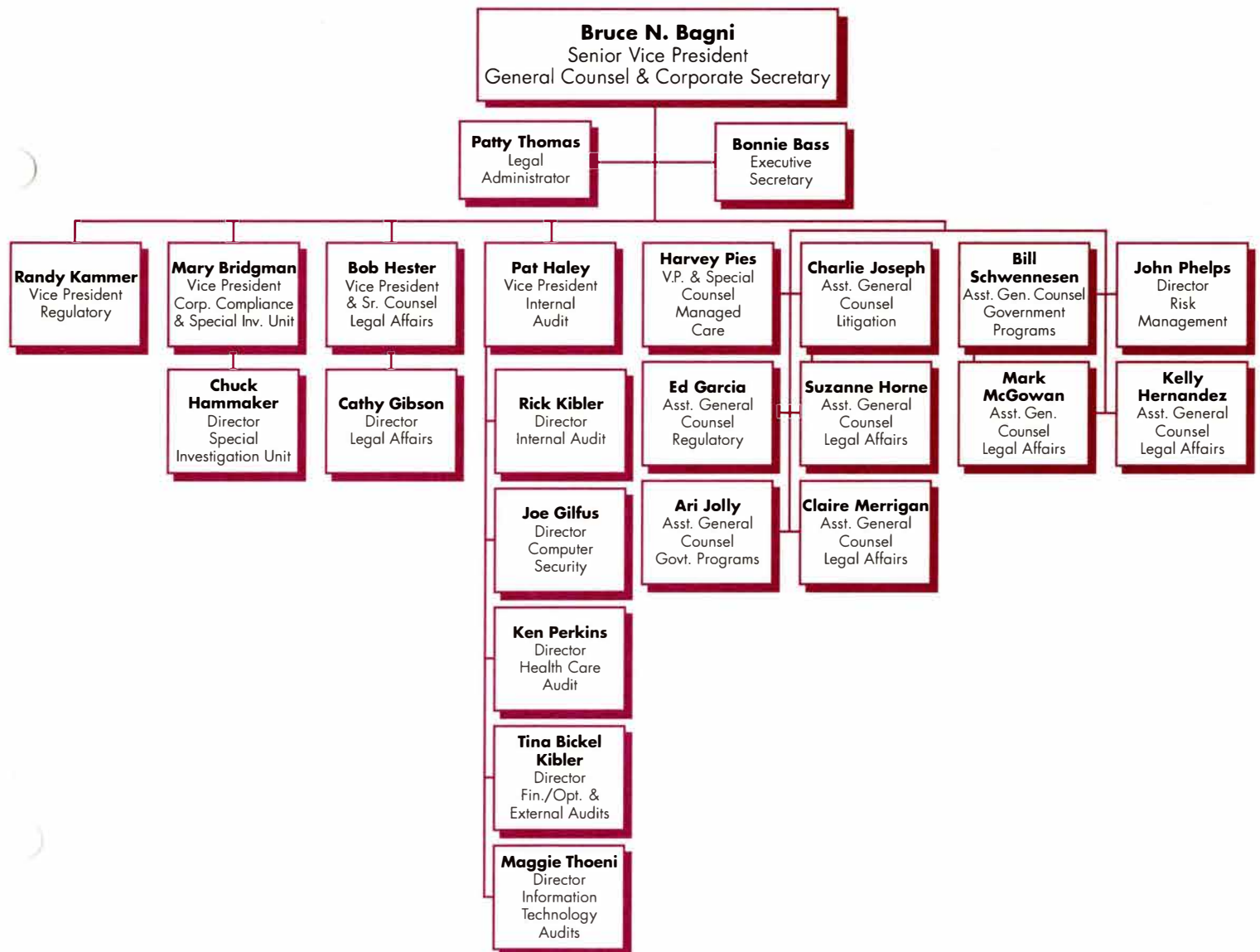
The changes are also designed to increase the comfort level of the business areas with the Legal



Affairs Division. Now, when the geographic business units (GBUs) or business areas have a legal question or need, they can call the lawyer who heads the specific area of practice that relates to their issue. Or they can call their liaison who can direct them to or help them get the legal services they need.

“These changes facilitate communication between the LAD and the business areas,” says Bruce N. Bagni, senior vice president and general counsel. “They also enhance our awareness of our clients’ needs and concerns.”

## Legal Affairs Group organization chart





# Let us hear from you!

Please take a few moments to complete this feedback form and send your responses to:  
Laura Jo Brunson, Public Relations/Corporate Communications, DCC 3-4 (fax: 904/905-6594).

1. This issue of *Profile* helped me better understand the structure and functions that are part of Legal Affairs as a result of Organization Re-design.

Strongly Agree	Agree	Don't know	Disagree	Strongly Disagree
1	2	3	4	5

2. What are your reasons for this rating?

3. This issue of *Profile* was easy to read.

Strongly Agree	Agree	Don't know	Disagree	Strongly Disagree
1	2	3	4	5

4. This issue of *Profile* had the right amount of information.

Strongly Agree	Agree	Don't know	Disagree	Strongly Disagree
1	2	3	4	5

5. In your opinion, what would improve this issue?

6. What information about implementation of Organization Re-design would you like to see in future issues of *Profile*?

Thank you for your responses.

# Feedback Form *(continued)*

Send your responses to:

Laura Jo Brunson

Public Relations/Corporate Communications

DCC 3-4

or

Fax your responses to (904) 905-6594

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## Editor's Note

This is the fourth in a series of special issues on Organization Re-design. This series focuses on the re-design efforts of each division and special projects under way as part of implementation. The strategy of this divisional focus addresses the need for people across the organization to know and understand how Organization Re-design affected other areas of the company.

In each issue to date we've asked for your feedback—and depending on the edition, 75% (Marketing issue) to 91% (GBU issue) of you say these special issues are helpful in building understanding of Organization Re-design. You've said that more information on the organizational charts would help you better understand a particular division's re-design. Subsequently, the organizational chart has been expanded whenever possible.

Formal, scientific research conducted corporate wide through an independent research firm indicates that 70% of you feel well informed about what goes on at the company. And you have even higher understanding of strategic issues and initiatives, such as low-cost producer (71%), Corporate Directions (79%), Virtual Office (79%) and Business Transformation (82%). This series is part of the company's overall effort to inform

you about important topics and issues that will be helpful to you in performing your job.

The goal of this series is to build understanding of Organization Re-design results at the divisional level and how those outcomes support corporate direction. To date, we've focused on GBUs, Operations and Marketing. Upcoming issues will highlight our other divisions, including Health Care Services, I/T and Finance, as well as special projects such as performance metrics, Internal Service Agreements and Policy Development, committees and the planning process. This series of *Profile* is only one of many forms of communications about Organization Re-design used in the last few months; other forms include talking with your manager, videos and bulletins. The entire Organization Re-design project covers a vast amount of information. To make the information helpful, we chose to focus on results at the divisional level rather than overwhelm you with (literally) a book on re-design outcomes. Because of the importance of this change and your understanding of it, this series is formatted to make it easy to keep in a binder for future reference.

Thank you for your feedback to date. We'll share more of your comments on this series in the next issue. In the meantime, please take time to share your feedback via the form included in this issue.

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